

March 20, 2014
Maine Milk Commission Meeting Minutes
Deering Building, Room 233
Augusta, Maine 04333

Notices for the March 20, 2014 meeting were distributed to Commission members, intervenors and other interested parties on February 21, 2014 and sent to the Secretary of State's Office for posting on January 24, 2014.

Commission Present: Mike Wiers, Colon Durrell and Matt Randall, *ex-officio*

Commission Absent: Richard Cook

Department Officials: None

Staff Present: Tim Drake, Executive Director and Carol Gauthier, Office Associate

Legal Counsel: Not Present

Intervenors Present: Tom Brigham and Douglas Carr of Oakhurst Dairy, John Blake, H.P. Hood, Julie-Marie Bickford of MDIA and Clayton Davis of DMS/DFA

Others Present: None

Chairman Wiers called the meeting to order at 10:44 a.m.

Agenda Item 1: Minutes: Colon Durrell made a motion to accept the minutes of the February 21, 2014 meeting, Matt Randall seconded the motion. Motion passed 2-0.

Agenda Item 2: Lauren Parker, Assistant Attorney General:

Agenda Item 3: Minimum Prices:

Tim Drake reported that a prevailing premium of \$1.10/cwt. on Class I for April 2014, Dairy Marketing Services (DMS) and Agrimark had been reported. In addition to this premium, DMS reported that an additional \$0.43/cwt for milk that comes from producers who do not treat their cows with the rBST hormone will be in effect. Federal Order One Class I price for April is \$26.90, an increase of \$0.01/cwt. He explained that a schedule was prepared using this information plus a producer cost of production adjustment (COPA) of \$1.25/cwt. He stated that this price schedule was for informational purposes and that the Commission was not bound to it, and should make their pricing determination after hearing testimony.

Chairman Wiers asked for testimony from the intervenors.

John Blake stated that this would be a good time to lower the COPA further towards the comfort level of \$1.10/cwt in light of the continued strong Class I price.

Julie-Marie Bickford encouraged that the Commission continue to take a slow and steady approach to lowering the COPA. She also said that the COPA was the only mechanism available to aid farms in Maine. She then asked how many farms are left in Maine now.

Tim Drake answered that there were 277 in February.

Julie-Marie stated that 30 farms had gone out of business in Maine over the past few months and that she was starting to get inquiries from the press on this.

Douglass Carr stated that it would be reasonable to consider no adjustment this month; however, a go slow approach does not mean to stop moving the COPA downward.

Julie-Marie Bickford stated that past adjustments have been substantial and that no justification existed for further cuts to the COPA.

John Blake stated that the Class I price increased by over \$2/cwt and the COPA was only reduced by \$0.10/cwt, this was not substantial.

Colon Durrell stated that this was a consumer Commission and that the minimum price is now over \$4/gallon for the first time ever. He then made the motion to approve order #04-14 with a producer margin of \$1.25 as presented.

Matt Randall seconded the motion.

Chairman Wiers agreed with Colon Durrell's statement and stated that he felt comfortable for now with the producer margin.

Tom Brigham stated that he was hopeful that the producer margin would be moved downward towards the \$1.17 level at this time, he also stated that the farm outlook going forward was quite positive.

Chairman Wiers called for a vote on the motion. The motion passed 2-0.

Agenda Item 4: Maine Monthly Price Survey: The Commission reviewed the Maine price survey for March 2014 which showed retail prices for Augusta, Scarborough, South Portland, Brunswick, Biddeford, Bangor and Brewer. The IAMCA price survey for January 2014 was also reviewed.

Agenda Item 5: Next Scheduled Meetings:

- April 24, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- May 22, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- June 19, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME
- July 25, 2014, 10:30 a.m.
Room 233, Department of Agriculture, Conservation and Forestry, Augusta ME

Tim Drake explained to the Commission members that the planned July 24th meeting would be a tight schedule due to the IAMCA annual meeting in Montreal, Canada. It was decided to move the meeting to Friday the 25th to ease the strain on members and staff, Tom Brigham agreed that this would not be a problem for Oakhurst.

Agenda Item 6: Other:

1. **Monthly Financial Report:** The financial report for FY14 was reviewed.

Agenda Item 7: Executive Session: None

Adjourned: Adjourned; 11:14 a.m. March 20, 2014.
Tim Drake, Maine Milk Commission